

Testimony for Proposed Bill 5021, Public Hearing February 18, 2012

The Governor is wrong on his view of Sunday liquor sales. If his motto is: Alcohol everywhere, all the time; then state legislators should stand up and oppose this concept. My store is currently open 73 hours per week. For many years, that has been sufficient time for people to shop.

If Malloy points to other states on this issue, as legislators you need to point out that New Hampshire and Oregon have no sales tax and New Hampshire, Florida, and Washington have no income tax. If Connecticut is to be the "Me Too" state, let's start there.

Dismantling much of the controls over the liquor industry will not generate the revenues the Governor claims, but it will likely lead to corruption, illegal practices and general chaos in the pricing and distribution of alcoholic beverages.

Although the goal of the Governor is to achieve lower prices, I expect the opposite will occur. Under the current pricing structure, the lowest price available from the wholesaler is the *single case price*. In Massachusetts where *quantity discount pricing* applies, usually the large quantity purchase price per case is nearly identical to what Connecticut stores pay for the single case of the same product. Although larger discounts may be out there, only the largest store will benefit from these savings. These are the products and prices most often seen in newspaper ads. Most other stores actually pay higher prices than these. If Connecticut follows the Massachusetts model, people that shop for smaller quantities at their neighborhood stores will pay substantially higher prices. Additionally, I expect that many bars and restaurants will be unable to meet the large quotas needed to obtain the best prices.

A few of the largest stores in Massachusetts (Sturbridge, Kappy's, etc.) also possess *wholesaler* permits in addition to their *retailer* ones, which allow them to negotiate directly with the manufacturer.

To achieve lower pricing in Connecticut:

Lower the excise tax

Eliminate sales tax on alcohol (to match Massachusetts)

Prohibit suppliers from inflating wholesale prices during the bulk of the year to accommodate once or twice a year "deep discount" specials.

Nothing the Governor has proposed will generate the additional revenue he expects and needs. Being involved in the industry for over a half a century provides me with a unique perspective. Since 1933, hundreds of small businessmen have served the needs of the people of Connecticut, keeping revenues in the state while being a positive part of the community. With this bill, the governor is trying to eliminate most of the small business owners and replace them with big box operations.

If Connecticut is going to be truly "Open for Business", I strongly urge you to support local independent merchants. Don't join this proposed "Scorched Earth" philosophy. When this legislative session ends, you don't want your name associated with helping kill another small business enterprise.

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